

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE: _____) CHAPTER 11
)
The Reserve Club of Pawleys Island LLC) Case No. 09-09116-jw
)
 Debtor.)

**NOTICE OF: (1) AUCTION SALE AND SALE HEARING, AND (2) HEARING
ON MOTION FOR THE ASSUMPTION/ASSIGNMENT OR REJECTION OF
CERTAIN EXECUTORY CONTRACTS**

TO: CREDITORS AND PARTIES IN INTEREST AND OTHER INTERESTED PARTIES

On January 21, 2010, the Debtor filed is Motion (the "Sale Motion") for entry of an order: (1) approving the terms of a proposed sale of the Debtor's assets, as more fully described therein, to The Reserve Golf Club Acquisition, LLC, a North Carolina limited liability company ("Buyer"), and (2) authorizing the assumption and assignment or rejection of certain executory contracts pursuant to § 365. The Sale Motion in this matter was previously served by mail on all creditors and parties in interest in this matter as well as upon potential competitive bidders. On or about February 17, 2010, the Debtor filed the attached Addendum to the Sale Motion.

NOTICE IS HEREBY GIVEN that the Court has scheduled an Auction and Sale Hearing before the Honorable John E. Waites at the Charleston Courtroom at the King and Queen Building, 145 King Street, Room 225, Charleston, South Carolina 29401, which Sale Hearing shall be held on March 10, 2010 at 2:00 p.m. or as soon thereafter as the Court's calendar will allow.

TAKE FURTHER NOTICE that any objection to the Sale Motion, including objections to the Sale of the Debtor's Assets OR objections to the Assumption/Assignment or Rejection of executory contracts must be made by March 1, 2010.

TAKE FURTHER NOTICE that the Debtor is hereby attaching a copy of the Court's Order Establishing Bidding and Other Procedures in Connection with the Sale of Debtor's Assets and Granting Protections to the Proposed Buyer (the "Bid Procedures Order"), which Bid Procedures Order governs the manner and timing under which competitive bids may be made. Please note that any and all competitive bids must be received by the Interested Parties (as defined in the Bid Procedures Order) on or by March 5, 2010.

TAKE FURTHER NOTICE that The Reserve at Litchfield Community Association, Inc. (the "Reserve HOA") asserts that the real property being sold by the Debtor is subject to covenants, restrictions and encumbrances, all recorded in the land records for Georgetown County, South Carolina which covenants, conditions and restrictions run with the title to the property. The Reserve HOA specifically asserts that such covenants, conditions and restrictions

include a provision requiring the land be used only as a golf course in addition to wetland covenants and a Safe Harbor Agreement relating to the preservation of certain species of woodpeckers and the covenants for the Reserve Community. Moreover, the Reserve HOA asserts that the covenants, conditions and restrictions to which the Debtor's real property is subject, provide that "Declarant . . . reserves the right to increase the assessment for any golf course to an amount to be decided by the Board or Declarant on a per round basis in the event the golf course allows play by members of the public (other than a guest of a member) and such amount will not be less than \$10,000.00 per year." *See Declaration of Covenants, Conditions and Restrictions for the Reserve at Litchfield Community Association, Inc.* at p. 13, footnote 1 (Recorded at Book 932, Page 22, Georgetown County RMC Office.) **The Title to the Debtor's Real Estate and other Sale Related Documents are publicly available for viewing and may be obtained by visiting the website of the Debtor's noticing agent Phase Eleven Consultants, LLC at <http://www.phaseeleven.com/reservegolfclub/>.**

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